REMARKS/ARGUMENTS

Claims 1-25 are pending in the application.

Claims 1-25 were rejected under 35 U.S.C. §102(e) as being anticipated by Puri et al,

U.S. Patent No. 6,148,026 (hereinafter "Puri").

Claim Rejections Under 35 U.S.C. §102(e)

Claims 1-25 were rejected under 35 U.S.C. §102(e) as being anticipated by Puri. Puri

generally discloses coding video data with enhanced functionality by coding video data as base

layer data and enhancement layer data. (*See* Abstract). Applicants respectfully submit that Puri

fails to disclose all the elements of claims 1, 7, 13, and 20, as amended.

Puri does not disclose excluding at least one sub-step from execution during an encoding

pass for which that sub-step is unnecessary wherein at least first and second encoding passes of

said video image data occur. In response to Applicant's contention that this element was missing

from Puri, the Examiner cites the portion of Puri stating:

> In the second condition, a particular image may have been coded using too fine a mesh
> given the uses for which the VOP decoder 250 is decoding the data. That is, too many
> nodes may have been defined to encode the image. The controller 264 may cause the
> VOP encoder 210 to recode the image using fewer mesh nodes and, therefore, reduce the
> channel bitrate. The third triggering event may be determined by user control input to the
> controller over line 268.

(*See* Puri, col. 5, lines 29-37).

The Examiner also cites the portion of Puri stating:

Where the decoder 400 operates in a mode that does not require mesh node encoding, the
compositor 440 may command the encoder 300 to disable the mesh node encoding
altogether.

(*See* Puri, col. 5, lines 29-37).

The Examiner combines these two passages to construct the element of the claims. Such a combination was not suggested by Puri and are meant to be separate actions in Puri. The first circumstance, in which data is recoded, involves encoding the data using a different set of parameters to create a smaller set of mesh nodes for transmission. No steps or sub-steps are excluded, merely the parameters and variables involved are changed. The second circumstance, in which mesh node encoding is disabled, disables the enhancement layer encoding of the data, leaving only the base layer encoding. No recoding is involved because the base layer is encoded separately, so no recoding is needed. Under Puri's scheme it would be highly inefficient to recode the data at this point. Therefore these two steps are not combined nor should they be. With this being the case, excluding at least one sub-step from execution during an encoding pass for which that sub-step is unnecessary wherein at least first and second encoding passes of said video image data occur is not shown by Puri.

Applicants respectfully submit, therefore, that elements of claim 1, 7, 13, and 20, are neither shown nor suggested by the cited reference. Claims 2-6, 8-12, 14-19, and 21-25 depend from and further define claims 1, 7, 13, and claim 20, respectively. Accordingly reconsideration and withdrawal of the rejection of claims 1-25 under 35 U.S.C. §102(e) is respectfully requested.

For all the above reasons, the Applicant respectfully submits that this application is in condition for allowance. A Notice of Allowance is earnestly solicited.

The Commissioner is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. §1.16 or §1.17 to Deposit Account No. **11-0600**.

The Examiner is invited to contact the undersigned at (408) 975-7500 to discuss any matter concerning this application.

Respectfully submitted,

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